

WORKFORCE OBSERVATIONS FOR SOUTHEAST WISCONSIN COUNTIES

OCTOBER 2001



State of Wisconsin
Department of Workforce Development

September 11, 2001 Will Always be Remembered...

in the hearts and minds of the world as the World Trade Center and the Pentagon were attacked by terrorists, prompting the United States and its allies to respond militarily. Because New York and Washington, D.C. are so critical to the world's, let alone, the national economy, much has been speculated as to the ramifications of the terrorist attacks to the short and long-term economic outlooks. Many economists have stated that these attacks clearly and unequivocally will sink the country and the world into a global recession. While this did nothing to necessarily stimulate the economy, it would still be premature to call a recession. Truth be told, we will not know a great deal of the impact on jobs and industries and the people who work in fields such as the airline travel sectors and closely related sectors such as hotel service, restaurants and retailers for some time yet. Though an increase in initial claims for unemployment insurance over the state is being seen, it is not evident that it is due to the recent events. How Wisconsin and the Southeast WDA counties fare in this nebulous period via employment and industry data will not be known on a statistical level due to the fact that this infamous day fell within a survey week period and will not capture any immediate volatility following the attacks.

Unemployment Rate Edges Down in September

The seasonally adjusted unemployment rate for the Kenosha MSA declined one-half percentage point to 4.1 percent from August to September. The Racine MSA rate showed a larger reduction dropping by 1.1 percentage points to 5.6 percent. Both rates are up from September 2000; Kenosha MSA is up eight-tenths and Racine MSA up 1.7 percent points from a year ago. Walworth County's rate is not seasonally adjusted.

The **Kenosha MSA** not seasonally adjusted unemployment rate registered 3.7 percent in September, down six-tenths of a percentage point from August and up eight-tenths of a point from September 2000. Looking at monthly trends points out that drop in the rate is expected from August to September given that September is typically one of the lower rated months for unemployment. September is a volatile month in the labor force as people are moving in and out of locales after summer jobs end or fall ones begin, school starts, etc. Kenosha County

recorded a loss of labor force where it usually sees a slight increase. The reduced unemployment rate was a product of a fewer people calling themselves unemployed since August rather than more people declaring "employed".

The **Racine MSA** not seasonally adjusted unemployment rate for September is 5.6 percent, down from 6.7 percent in August and up from September 2000's rate of 3.9 percent. The **City of Racine** shows a 9.2 percent rate which is down 2.4 percentage points from August, but is up 2.8 percentage points from September of last year. The Racine MSA registered a greater number of people dropping out of the ranks of unemployed than those dropping from employed by a two-to-one ratio. This is noteworthy as industry employment figures around the metro areas in the Southeast and Milwaukee area do not clearly account for large gains of "unemployed" becoming "employed" via industry. Perhaps next month's figures will account for Racine County and City's shift of the unemployed within the labor force. These labor dynamics are the reason for 1,900 fewer people in the labor force from August to September. Like

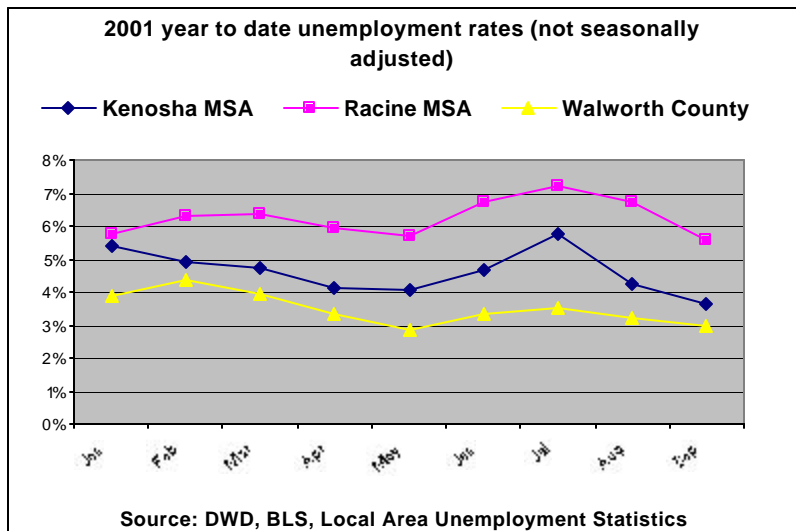
Kenosha County, seasonal tendencies such as students ending summer employment and seasonal laborers leaving for other endeavors play the greatest part in the labor force dynamic. The average September, not seasonally adjusted rate for the Racine MSA is 4.5 percent, given a 1990-2000 timeframe.

Walworth County's not seasonally adjusted unemployment rate for September turned in a 3.0 percent mark. This rate is

three-tenths of a percentage point lower than the previous month's and is higher than the 2.2 percent rate registered in September of 2000. Walworth gained almost 500 more who are employed and showed a corresponding decrease of 130 fewer unemployed. Walworth's rate is the lowest of the three Southeast counties, as expected. A ten year average September unemployment rate for Walworth County is 2.4 percent, but 3.0 percent unemployment is still extremely low relative to state and national figures.

Industry Picture

The Southeast WDA shows a mixed performance in job growth. Kenosha and Racine Counties comprise almost 80 per-



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cent of the jobs in the three county area yet only created 42 percent of the new jobs over the month. Walworth County job growth accounted for 860 of the WDAs 1,470 new jobs since August. Government and Services were the big gainers over the month all over Wisconsin as school districts and colleges and universities forged ahead into the new school year bolstering numbers of those employed as teachers and staff (reported as government employed in the public system and reported in services in the private system) and contracted transportation companies to provide bus services strengthening transportation, communication and public utilities numbers. Manufacturing continued its slump but has shown some brighter spots with slight increases in Kenosha's transportation equipment production. Monthly construction figures show a 2.3 percent or 200 jobs dip in employment levels. Manufacturing is down over 2,100 (-4.6 percent) since last September. Services employment, overall, lost employment over the month despite gains in the educational ser-

vices sector. The services loss can be pinpointed to Walworth County. Despite its huge job gains over the month, Walworth's summer spike in health services and hospitality services dramatically drops from August to September as the Lake Geneva vacationers leave their summer homes. Retail trade lost employment in all three counties, probably related in most part to seasonal patterns as the summer wound down.

Over the year employment levels in the southeast WDA are flat with growth of 1,430 *net* jobs (0.7 percent) or just a bit under the monthly growth of 1,470 jobs. Again, services and government contained the largest sector gains adding a combined 3,240 jobs since September 2000. The goods-producing sectors, Construction and the aforementioned manufacturing, diminished employment over the year. Wholesale trade, though flat over the month, showed small gains over the year which is better news in light of the softening in the manufacturing sectors.

September 2001	Wisconsin	Kenosha County/MSA	Racine County/MSA	Walworth County	Southeast WDA	City of Kenosha	City of Racine
Civilian Labor Force*	3,038,934	83,741	94,957	55,750	234,448	49,434	39,482
Persons Employed	2,935,948	80,678	89,685	54,100	224,463	47,176	35,845
Persons Unemployed	102,986	3,063	5,272	1,650	9,985	2,258	3,637
Unemployment Rate	3.4%	3.7%	5.6%	3.0%	4.3%	4.6%	9.2%
Total jobs of all non-farm industries**	2,857,046	56,379	83,880	43,526	183,785		
Goods Producing Jobs	728,954	13,949	26,895	11,956	52,800		
Service Producing Jobs	2,128,092	42,430	56,985	31,570	130,985		
Construction & Mining	137,666	2,423	4,050	2,322	8,795		
All Manufacturing	591,288	11,526	22,845	9,634	44,005		
Transportation, Communications & Public Utilities	137,863	2,224	2,349	1,504	6,077		
Wholesale Trade	137,549	2,805	3,519	1,535	7,859		
Retail Trade	502,207	10,962	13,698	8,257	32,917		
Finance, Insurance, and Real Estate	152,489	1,544	2,246	1,573	5,363		
Services	793,143	15,803	24,628	11,120	51,551		
All Government	404,841	9,092	10,545	7,581	27,218		
Change from August 2001							
Civilian Labor Force*	-42,490	-680	-1,900	360	-2,220	-500	-1,320
Persons Employed	-23,630	-150	-640	490	-300	-90	-250
Persons Unemployed	-18,860	-520	-1,260	-130	-1,920	-410	-1,070
Unemployment Rate	-0.6%	-0.6%	-1.2%	-0.3%	-0.8%	-0.8%	-2.3%
Total jobs of all non-farm industries**	3,280	400	220	860	1,470		
Goods Producing Jobs	-8,720	100	-140	-180	-220		
Service Producing Jobs	12,000	300	360	1,040	1,690		
Construction & Mining	-2,590	-10	-130	-60	-200		
All Manufacturing	-6,120	110	-10	-120	-20		
Transportation, Communications & Public Utilities	3,380	100	80	30	210		
Wholesale Trade	-1,840	0	0	-10	-10		
Retail Trade	-4,660	-190	-150	-230	-570		
Finance, Insurance, and Real Estate	-1,000	0	-50	0	-50		
Services	-7,690	130	130	-460	-200		
All Government	23,810	260	340	1,710	2,310		
Change from September 2000							
Civilian Labor Force*	87,370	2,040	3,880	2,180	8,100	1,360	2,110
Persons Employed	71,150	1,370	2,170	1,500	5,260	850	870
Persons Unemployed	16,220	680	1,720	480	2,840	520	1,250
Unemployment Rate	0.5%	0.8%	1.7%	0.8%	1.1%	1.0%	2.8%
Total jobs of all non-farm industries**	1,060	20	710	700	1,430		
Goods Producing Jobs	-28,470	-830	-1,140	-280	-2,250		
Service Producing Jobs	29,530	850	1,850	980	3,680		
Construction & Mining	-1,400	-30	-80	20	-90		
All Manufacturing	-27,070	-800	-1,060	-300	-2,160		
Transportation, Communications & Public Utilities	1,840	170	60	10	240		
Wholesale Trade	-2,020	-10	220	-30	190		
Retail Trade	1,530	-160	-210	250	-110		
Finance, Insurance, and Real Estate	3,250	-30	-50	200	130		
Services	16,380	870	1,250	20	2,150		
All Government	8,550	10	570	510	1,090		

* Labor force figures are **not** seasonally adjusted and are commonly revised. Figures from "place of residence" survey from the Bureau of Labor Statistics' Local Area Unemployment Statistics program.

**Figures based upon "place of employment" survey from the BLS, Non-Farm Wage and Salary estimates

Month and year ago change figures are rounded and may not sum to total

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